

## SIGNIFICANT COMMISSION ACTIONS

2004 - Card Room Betting Limits Increased: Effective July 1, 2004.

The Recreational Gaming Association petitioned the Commission to increase card room betting limits from \$100 to \$300. After discussion at five Commission meetings, an increase was allowed on a limited basis. Betting limits will be increased to \$200, based on the number of tables authorized in a card room:

- Five or fewer tables could have one table at the higher limit;
- Six to ten tables could have two tables at the higher limit;
- Eleven to fifteen tables could have three tables at the higher limit.

2003 -Change in Mandatory Training for Card Rooms: As of January 1, 2003, classroom training for card room owners and card room employees (CRE) is no longer provided by our agency. Commission staff will train card room management/owners about the responsibilities associated with maintaining a gambling license. Owners/management will then be responsible for training their own CRE.

- Digital Surveillance: Card rooms will be able to use digital technology to record surveillance as of July 1, 2003. Prior to July 1, only VHS tapes were authorized to record surveillance.

- On April 23, 2003, Special Agents from the Special Investigations Unit conducted a raid, in conjunction with the Pullman Police Department, on illegal card games being conducted at a Pullman residence. The person running the game was charged with Professional Gambling and eight other persons were arrested and issued criminal citations.

2002 -Janice Niemi was appointed to the Gambling Commission on February 5, 2002, by Governor Locke. She will complete the unexpired portion of former Commissioner Marshall Forrest's term, and then start her full six-year term, which will end June 30, 2008.

-Successfully negotiated Tribal Compacts with the Colville Confederated Tribes and the Shoalwater Bay Tribe ending disagreements that have spanned more than a decade.

- Negotiated compact amendments for the Muckleshoot, Tulalip, Puyallup, and Quinault tribes. Amendment included the following:

- 1) Increase number of gaming facilities from one to two
- 2) Increase number of gaming tables from 50 (plus two nonprofit) to 75 (plus three nonprofit) at one facility and 50 (plus two nonprofit) at the second facility. This allows a total of 125 (plus five nonprofit). The tribe must lease the rights to gaming tables from other compacted tribes when their total number of gaming stations exceed 60.
- 3) Hours of operation were increased from 140 a week to 156 a week. Additionally, tribes may operate 160 hours per week, three times per year, per facility.
- 4) Clarified that the Tribe's own Tribal Gaming Agency is primarily responsible for the regulation and integrity of the gaming.
- 5) Clarified that community contributions not needed to cover documented costs may be released for tribal projects.

- An amendment was signed to increase the total number of Tribal Lottery System machines from 1,500 to 2,000. Tribes may operate 425 machines during the first year and increase that number to 675 after 12 months. In the past, tribes could buy machine rights from other tribes with a cap of 1,500 machines per tribe. The cap was raised from 1,500 to 2,000.
- In August, our Northwest Regional Field Office was moved from Lynnwood to Everett.

**-Bookmaking Bust: The Gambling Commission received a check for \$11,000 from the FBI. The check represents the Commission's share of seized assets from a joint investigation that was conducted in Spokane in 1999-2000. In that case, an investigation by a WSGC Special Investigations agent uncovered a major bookmaking operation spreading across the US and beyond. The case involved a former organized crime informant who set up a computerized bookmaking operation in a Spokane espresso business that never brewed a drop. The operation employed 15 bookies that processed at least \$100,000 a week in bets in Spokane with over 360 active bettors who were given code names to call in their bets. In addition it had ties to East Coast bookies. The Gambling Commission was awarded the money as a sharing partner with the FBI.**

-The Notice of Violation and Settlement (NOVAS) was created as a way to remedy some violations of gambling rules without going through the full administrative process. A NOVAS is issued directly by a Gambling Commission field agent to a licensee at the time of the violation. The written Notice documents the violation, provides information on how to correct the violation and provides immediate information about the penalty, i.e. a \$200 fine.

-Fingerprint Legislation. Senate Bill 6491 was passed during the 2002 Legislative Session to clarify the Commission's ability to perform fingerprinting and National Criminal History background checks on applicants for a gambling license. As required in the bill, the Commission amended a rule (effective 9-13-02) to clarify which applicants would be affected by this legislation.

-Implementing 2002 Bingo Legislation: In the past, state law restricted bingo licensees to conducting games up to three days a week and a single facility could only be used for bingo three days a week. During the 2002 Session, legislation was passed at the request of bingo licensees. The change in law removed the three-days a week operation limits. The hope was that the new law would allow bingo operators to conserve funds so that they could use monies for their stated purposes, rather than on operating expenses (such as rent and utilities). The Commission wrote rules to implement this legislation, effective September 13, 2002.

- Operating 7 days a week: Bingo operators may now operate games seven days a week.
- Shared Facility: Bingo operators may share a facility and operate up to seven days a week in the facility.
- Warnings in Ads: Bingo licensees, which operate in a facility that offers bingo more than three days a week, must include language in all promotions and advertising warning patrons that gambling can result in emotional and financial harm.
- Shared Management within a Shared Facility: During meetings with the bingo industry, licensees requested the ability to share management within a shared facility. The Commission adopted a new rule to allow shared management.

2001 - Effective March 12: Event pull tabs and Seal Cards were authorized to be operated in the state. Also notification of Card Room Employee transfers and termination was simplified and automated.

- Executive Director Ben Bishop announced his retirement from the agency effective September 2001. He had been working for the agency since 1981. A nationwide search for a new director was conducted, and Rick Day became the agency's 6<sup>th</sup> Director. The new director was formerly the Administrator for the Law Enforcement Services Division and Director for the Department of Corrections in Montana. He has 19 years of leadership experience including establishing and managing Montana's first criminal and regulatory gambling investigation bureau following the re-location of the responsibility from the Department of Revenue to the Attorney General.

- In July, the Lacey Headquarters staff moved into a different office located down the street from the former location, where they had been located for twelve years.

- In July, web-based training was offered for punchboard/pull-tab operators to supplement the instructor-led mandatory training classes.

- A new rules manual was distributed to all licensees in September. This manual contains a new KeyWord/Subject index to make finding rules easier.

2000 -Gambling Commission distributes 500 Problem Gambling Employee Awareness video to licensees based on size of license.

-Raffle training on the Internet begins on May 15 as a supplement to and possible replacement for traditional instructor-led classroom training. This Internet training gives licensees the ability to take training according to their own schedule, as well as to visit the site for specific information or updates. Having the subjects on the Web also results in the general public being able to access it for questions.

-The bingo net return task force continued to meet during the first part of the year. As a consequence of their discussions, several new and amended rules were passed in June 2000 and went into effect on July 1, 2000 including: - A rule allowing operators to give free food or beverages to customers; and - A rule reducing retention of some of the bingo records which are currently maintained for 36 months

-In September 2000, a new package of net return rules were placed on the agenda for discussion. One rule from the packaged related to demonstrating significant progress in meeting stated purposes was passed in November, but the rest of the rules continued into 2001 for discussion. These rules are intended to create rules that would be easier for licensees and staff to work with.

-The card room pilot program was finalized and resulted in 68 rules that became effective on May 15, 2000. This was the largest rule package in the history of the commission.

-A rule was passed allowing charitable and nonprofit organizations to sell punchboards and pull-tabs to patrons of a commercial card room adjoining their premises.

-Some nonprofit organizations expressed interest in opening a public card room. After extensive discussion at Commission meetings, a rule was passed in October 2000 stating that any charitable/nonprofit organizations taking part in the management, operation, or ownership of a gambling activity could not also take any part in the management, operation, or ownership of a commercial gambling activity.

1999 - Bingo Task Force created to study impacts of net income rule

- Commission staff participates in Problem Gambling Industry Task Force to develop employee awareness programs.

- Commission responds to Governors request for moratorium on enhanced card rooms by delaying passage of permanent rules until March 2000 and reducing the approval rate for house

banking to no more than two per month.

- New punchboard/pull tab video created for employee training purposes. Replaces 1990 version.

- Special Agents from the Special Investigations Unit conduct a raid on ten card rooms after investigation into the manner in which Washington Blackjack is being conducted in their businesses. None of the card rooms are in the enhanced card room program. All licenses are summarily suspended.

- Mah-Jongg and Dominos are removed from the list of allowable card games because of Legislative changes to the definition of a social card game. Pai Gow Poker may only be conducted by an enhanced card room if listed among the allowable games in the contract. Washington Blackjack rules are revised in several ways, principally to address issues related to player/bankers.

- Director issues policy on fantasy sports leagues advising that they cannot be conducted as a business. Fees charged to participants must be used for actual expenses, but may not be used for salaries.

- Separate unit created within the Policy and Government Affairs Division to manage device approval and other issues related to Tribal Lottery Systems games placed in tribal casinos based on decision in Friendly Lawsuit.

- Agency re-organization results in Financial Reporting Services reporting to the Communications and Legal Department manager. Remainder of Financial Investigations Unit is moved from Licensing Operations Division into the Special Operations Division.

1998 - Rules passed defining gambling services suppliers and requiring licensing or permits of these companies.

- New category of individual license created, identified as "key card room employee" for purposes of the enhanced card room operation.

- Agency reorganizes to create a new Division. The new division consists of Information Services, Business Services, and the Communication and Legal Department and reports to the Deputy Director of Policy and Government Affairs. Field Operations, Licensing Operations, and Special Operations report to the Deputy Director of Operations.

- A video detailing Illegal Gambling Activities (A Case of Misplaced Trust) is produced for use in educating licensees and local law enforcement. Video wins 1999 Videographer Award of Excellence, a national awards program.

- Commissioners retract previously approved license fee increase.

- Maximum punchboard/pull tab prize payouts are increased from \$500 to \$750.

- Linked bingo game rules pass.

1997 - Authorized location of commercial amusement games in department or grocery stores having at least 10,000 square feet and offering for retail sale a minimum line of items.

- Raised limit on cost of prizes for amusement games to \$500 and maximum wager to \$1 in locations where minors are allowed to play.

- Passed rule to allow supervised nonmembers sell raffle tickets in a licensed raffle

- Changed PB/PT flare deletion requirement from "\$20 and over" to "over \$20".

- Instituted procedures for bingo halls to apply for variance from net income requirements

- Deputy Director Ben Bishop is appointed as the Executive Director in October.

- Commission revises and extends card room pilot study program to comply with 1997 legislation authorizing house-banked and player-banked card games. Scheduled date for rule making set at January 1, 1999.

- Agency Web site is initiated.

- Manufacturers and distributors of card room gambling equipment are required to obtain a license.

- Video training for chief executive officers of nonprofit organizations is created.

1996 - Three tribal/state compacts approved:

- .+ Yakama
- .+ Puyallup
- .+ Quinault
  
- Seized 100 slot machines en route to Colville tribe
- Prize deletion requirement for punchboard/pull tab flares increased from \$5 to \$20 prizes
- Additional card games added to approved list (Bid Whist, Dominos, and "director approved" games)
- Pilot study of card room enhancement program begins. Allows increased number of tables, alternative collection methods, and player supported progressive prize funds. By end of year, there were 15 participants.
- Keno bingo approved
- Progressive jackpots, bonus or "step up" games, and bonus pulltabs with carry over jackpots pull tab games authorized
- Nonprofit organizations assigned to categories for minimum net return compliance as well as prize and expense limitations. Program begins January 1, 1996.
- Bingo Net Income Task force report presented at June Commission meeting. Task force studied problem of declining bingo net income and presented recommendations to Commission.
- Changed references in raffle rules to reflect statutory increase in cost of raffle tickets from \$5 to \$25.

1995 - Six tribal/state compacts approved:

- .+ Lummi
- .+ Suquamish
- .+ Hoh
- .+ Nisqually
- .+ Port Gamble S'Klallam
- .+ Skokomish

- Two tribal/state compacts amended to increase scope:

- .+ Muckleshoot
- .+ Quileute
  
- Commercial stimulant monitoring discontinued
- Card room hours extended beyond 2:00 a.m.
- Center dealer authorized for Washington blackjack

1994 - Agency reorganized in February 1994 to create Special Operations Division, comprised of the Special Investigations Unit, Tribal Gaming Unit, and Intelligence Unit. Added third Assistant Director position to oversee Division.

- Control of bingo supplies
- Approval of electronic bingo card daubers
- Seized 50 slot machines en route to Spokane tribe
- Center dealer authorized for poker games
- Seven tribal/state compacts amended to increase scope:

- .+ Chehalis
- .+ Jamestown S'Klallam
- .+ Nooksack
- .+ Tulalip

- .+ Upper Skagit
- .+ Swinomish

+ Squaxin Island 1993 - Four tribal/state compacts approved:

- .+ Jamestown S'Klallam
- .+ Muckleshoot
- .+ Squaxin Island
- .+ Quileute

- Punchboard and pull tab prize limits increased from \$200 cash and \$300 merchandise to \$500 for both

1992 - Frank Miller appointed as Director

- Began conversion to the "one agent" concept with all agents receiving law enforcement and financial training
- Four tribal/state compacts approved:

- .+ Swinomish
- .+ Chehalis
- .+ Upper Skagit

+ Lower Elwha Klallam 1991 - Tulalip and Nooksack tribes entered into compacts to operate Class III casinos (first compacts)

1990 - Washington blackjack approved by

Commission 1989 - Charitable nonprofit

organization review program

- Commission began involvement in problem gambling 1988 - Commission approval of crane games at taverns and cocktail lounges after a one-year test 1987 - Developed in-house computer system 1986 - Ronald Bailey appointed as Director

- Reorganization of agency to combine audit and enforcement functions under one manager

- Development of bar-coded I.D. stamps for tracking punchboards and pull tabs 1985 - Punchboard and pull tab prize limits increased from \$100 to \$200 cash and \$300 merchandise 1983 - Bingo prize payout and net income regulation implemented by Commission 1980 - Keith Kisor appointed as Director

- Deputy Director position added 1978 - Agency organized as a separate agency (from Department of Motor Vehicles) 1974 - Assistant Directors for Enforcement and Audit Divisions appointed 1973 - Agency formed under the Department of Motor Vehicles

- William Bjork appointed first Director